

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-09 ISO-00 AS-01 AGR-10 CEA-01 CIAE-00

DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01

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R 171732Z NOV 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6606

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 17660

DEPARTMENT PAQS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE AND CURRENT ACCOUNT IN OCTOBER

SUMMARY: IN OCTOBER, THE U.K. CURRENT ACCOUNT IS ESTIMATED TO HAVE BEEN IN DEFICIT BY 96 MILLION POUNDS (S.A.), A DETERIORATION OF ONLY 1 MILLION POUNDS OVER THE SEPTEMBER DEFICIT OF 95 MILLION POUNDS (REVISED). THE VISIBLE TRADE ACCOUNT DEFICIT OF 206 MILLION POUNDS (S.A.) WAS COMPOSED OF A 286 MILLION POUND DEFICIT IN PETROLEUM AND RELATED PRODUCTS AND AN 80 MILLION POUND SURPLUS IN NON-OIL RELATED GOODS. PROVISIONAL ESTIMATES SHOW EXPORTS OF 1,740 MILLION POUNDS (S.A., FOB), AND UNCLASSIFIED

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IMPORTS OF 1,946 MILLION POUNDS (S.A., FOB). THE INVISI-

BLES ACCOUNT SHOWED AN ESTIMATED SURPLUS OF 110 MILLION POUNDS. END SUMMARY.

1. VISIBLE TRADE. THE BALANCE ON VISIBLE TRADE SHOWED LITTLE CHANGE IN THE OVERALL BALANCE BETWEEN SEPTEMBER AND OCTOBER. THE IMPROVEMENT IN THE SURPLUS IN NON-OIL RELATED TRADE WAS OFFSET BY A WIDENING IN THE NET TRADE DEFICIT IN PETROLEUM AND PETROLEUM RELATED PRODUCTS. THE TRADE SURPLUS IN NON-OIL GOODS INCREASED FROM 52 MILLION POUNDS (S.A., FOB) IN SEPTEMBER TO 80 MILLION POUNDS IN OCTOBER. HOWEVER, THE NET DEFICIT IN PETROLEUM AND RELATED PRODUCTS INCREASED 29 MILLION POUNDS TO 286 MILLION POUNDS. IN VOLUME TERMS, EXPORTS ROSE BY ABOUT 7.5 PERCENT AND IMPORTS BY 4 PERCENT. HOWEVER, THE TERMS OF TRADE INDEX FELL BY 1 PERCENT AS THE IMPORT UNIT VALUE INDEX INCREASED BY 2 PERCENT WHILE THE EXPORT UNIT INDEX ROSE BY ONLY 1 PERCENT.

## 2. TRADE VOLUME AND TERMS OF TRADE (MONTHLY AVERAGE)

### A UNIT VALUES

(B/P ASIS; 1970 EQUALS 100; N.S.S.)

	EXPORTS	IMPORTS	TERMS OF TRADE
1975 LST QU.	184.9	237.8	77.7
2ND QU.	193.4	241.2	80.2
3RD QU.	202.4	244.6	82.7
MAY	193.3	241.4	80.1
JUNE	196.0	240.8	81.4
JULY	199.8	241.8	82.6
AUGUST	202.5	244.8	82.7
SEPT.	204.9	247.5	82.9
OCT.	207.2	252.5	82.1
1975 MAR-JUL	193.5	241.0	80.3
AUG-OCT	204.9	248.2	82.6

### PERCENTAGE

CHANGE	PLUS 6	PLUS 3	PLUS 3
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### B. VOLUME (MONTHLY AVERAGE)

(B/P BASIS; 1970 EQUALS 100, S.A.)

	EXPORTS	IMPORTS
1975 FIRST QUARTER	130.9	126.8
SECOND QUARTER	123.9	122.0

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THIRD QUARTER	121.7	127.9
MAY	134.7	119.6
JUNE	121.5	122.3
JULY	124.1	133.0
AUGUST	116.9	125.1
SEPTEMBER	124.0	125.5
OCTOBER	133.3	130.8
1975 MAR-JULY	125.5	123.6

AUG-OCTOER      124.7      127.1  
PERCENTAGE CHANGE    MINUS 1/2      PLUS 3

3. IMPORTS AND EXPORTS (MONTHLY AVERAGE EXCEPT FOR QTLY.  
DATA)

                    VISIBLE TRADE  
                    (B/P BASIS; IN MILLIONS OF POUNDS, S.A.)  
                    EXPORTS (FOB)    IMPORTS (FOB)    VISIBLE BAL.  
1975 LST QU. 4,532      5,368      MINUS 836  
                    2ND QU. 4,46L      5,148      MINUS 687

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DEPT PASS TREAS AND FRB

3RD QU. 4,633      5,562      MINUS 929

MAY	1,612	1,693	MINUS	81
JUNE	1,484	1,729	MINUS	245
JULY	1,563	1,916	MINUS	352
AUGUST	1,487	1,858	MINUS	371
SEPT.	1,583	1,788	MINUS	205
OCT.	1,740	1,946	MINUS	206
1975 MAR-JULY	1,514	1,742	MINUS	228
AUG-OCT	1,603	1,864	MINUS	261
PERCENTAGE				
CHANGE	PLUS 6	PLUS 7		

#### 4. THE INVISIBLE TRADE AND CURRENT ACCOUNT. THE BALANCE UNCLASSIFIED

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ON SERVICES AND OTHER TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 110 MILLION POUNDS IN OCTOBER. THUS THE VISIBLE TRADE DEFICIT OF 206 MILLION POUNDS COMBINED WITH THE ESTIMATED INVISIBLES SURPLUS YIELDED A DEFICIT IN CURRENT ACCOUNT OF 96 MILLION POUNDS. NOTE THAT THERE HAVE BEEN EXTENSIVE REVISIONS IN MONTHLY AND QUARTERLY ESTIMATES OF U.K. CURRENT ACCOUNT DATA BOTH IN VISIBLE AND INVISIBLE TRADE.

#### CURRENT ACCOUNT (MONTHLY AVERAGE, EXCEPT FOR QUARTERLY FIGURES) (MILLIONS OF POUNDS, S.A.)

## BALANCE

1975	FIRST QUARTER	MINUS	430
	SECOND QUARTER	MINUS	397
	THIRD QUARTER	MINUS	599
	MAY	(PLUS)	L6
	JUNE	MINUS	L49
	JULY	MINUS	242
	AUGUST	MINUS	261
	SEPTEMBER	MINUS	95
	OCTOBER	MINUS	96
	MARCH-JULY	MINUS	121
	AUGUST-OCTOBER	MINUS	151

#### 5. THE CUMULATIVE TOTALS FOR 1975 IN THE VISIBLE TRADE ACCOUNT COMPARED TO 1974 ARE:

	EXPORTS	IMPORTS	BALANCE
1974	13,064	17,365	MINUS 4,301
1975	15,366	18,024	MINUS 2,658

NOTE: ALL FIGURES ARE S.A., FOB, B/P BASIS, IN MILLIONS OF POUNDS. THE DATA INCLUDE PROVISIONAL ESTIMATES FOR OCTOBER 1975 AND REVISIONS FOR EARLIER MONTHS.

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## Message Attributes

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**TAGS:** EFIN, ETRD, UK  
**To:** STATE  
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